



House of Representatives

General Assembly

File No. 533

February Session, 2002

Substitute House Bill No. 5672

House of Representatives, April 17, 2002

The Committee on Finance, Revenue and Bonding reported through REP. MCDONALD of the 148th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING TELEPHONE CALLS FROM A CORRECTIONAL FACILITY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) In any contract entered
2 into by the state on and after the effective date of this section for
3 telephone services to be provided to inmates housed in any facility
4 under the control of the Commissioner of Correction, there shall be no
5 provision for the state to realize any commission or other financial gain
6 from the use of telephone services by such inmates. Said commissioner
7 shall include the cost to the inmates and their families as an explicit
8 factor in the criteria in the request for proposals for such contract. In
9 determining which contract proposal is the most advantageous to the
10 state, the Chief Information Officer of the state shall give a preference
11 for lower cost to the inmates and their families.

12 (b) The Chief Information Officer of the state shall provide for an

13 option to be made available to inmates, in lieu of collect calls, for
14 payment of telephone service by use of a debit account system or other
15 similar system under which funds may be deposited into an inmate's
16 account in order to pay for the total cost of station-to-station telephone
17 service for such inmate. Not later than one year after the effective date
18 of this section, the Commissioner of Correction shall provide such
19 option at one facility under his or her control. Said commissioner shall
20 give notice of such option, or provide for notice to be given, to the
21 inmates and their families.

This act shall take effect as follows:	
Section 1	<i>from passage</i>

FIN *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note**State Impact:**

Fund-Type	Agency Affected	FY 03 \$
SF - Revenue Loss (Technical Services Revolving Fund)	Department of Information Technology	See Below
GF & TF - Cost	Various State Agencies	See Below
GF - Potential Cost	Department of Information Technology, Department of Corrections	See Below

Note: SF=Special Fund (Non-appropriated); GF=General Fund; TF=Transportation Fund

Municipal Impact: None

Explanation

This bill results in a revenue loss of \$7 million per year, potentially beginning by January 1, 2003, to the Technical Services Revolving Fund in the Department of Information Technology (DOIT).

The combination of (a) the bill's effective date, (b) the statewide telecommunications contract yet to be awarded, and (c) expiration of the one-year extension on the inmate telephone services contract could result in a revenue loss to the state's Technical Services Revolving Fund and cost to the various agencies that use services provided by DOIT of \$3.5 million (1/2 year) in FY 03 and approximately \$7 million in succeeding fiscal years. If the contract were signed before this bill is enacted then the fiscal impact would not occur until the end of that contract life (3 to 5 years). The statewide telecommunications contract includes provisions for the inmate telephone system.

A one-year extension on the inmate telephone services contract with the current vendor was agreed to in December of 2001. DOIT is in the process of finalizing reviews of bids for the statewide telecommunications services contract and expects to have a decision

made by the end of June 2002. There is a potential cost, anticipated to be minimal, to the department to re-negotiate the part of the contract relating to the inmate telephone debit system.

The bill prohibits the state from realizing any commission or financial gain from the use of telephone services by inmates. The state's commission from inmate pay telephone usage is currently 50% of the carrier's billed rates, which results in state revenues of about \$7 million per year, and is deposited in the Technical Services Revolving Fund in the Department of Information Technology (DOIT). This fund is a non-appropriated Internal Service Fund, which receives most of its moneys from charges made to state agencies that utilize the department's information technology (IT) and computer services. The fund is used to support the State Data Center, to obtain IT services through private vendors through master contracts, and to operate and manage the centralization of executive branch IT personnel and systems. These moneys are used to offset the costs of information technology services provided to state agencies by DOIT. Loss of this revenue would result in increased charges or cost to the agencies that utilize the DOIT's IT services. While not all agencies use DOIT computer center services, every State agency uses some network services, including Internet access, data transport, and local phone and long-distance toll services. Therefore this could result in additional costs to agencies in the aggregate of about \$3.5 million in FY 03 and \$7 million thereafter for such services provided by DOIT.

The bill requires that any subsequent telephone contracts for correctional telephone services include an option for a debit accounting system whereby funds would be placed in an inmate's account for telephone use. This would allow inmates to avoid costs associated with collect calls. Since DOC already receives funds from families for inmate accounts so that inmates can purchase goods within the facilities, it is not anticipated that there would be any significant cost associated with the administration of such a debit account system. The cost of the phone module for the existing Syscon application plus the cost for a customized integration between Syscon

application and the phone vendor's debit billing system, is not known, but based on reports from other states, is expected to cost between \$2.5-million and \$3.0 million in FY03

The bill also requires the Chief Information Officer (CIO) of the State of DOIT to make a debit account system option available to inmates at one facility within one year from the effective date of this act (which is upon passage). DOIT indicates that this could require either (a) the development and implementation of the Syscon module cited above, or (b) a separate debit and accounting system to be provided by the phone vendor for just inmate phone purposes, if that proves less expensive and time-consuming, and functions effectively. It is not known if the vendor would be willing to develop the debit system.

OLR Bill Analysis

sHB 5672

**AN ACT CONCERNING TELEPHONE CALLS FROM A
CORRECTIONAL FACILITY****SUMMARY:**

This bill bars the state from receiving any commission or other financial gain from prison inmates' phone use under any new state contract for inmates' telephone service. It also requires the correction commissioner to (1) include the cost to inmates and their families as a criterion in his request for proposals for such contracts and (2) give preference to lower costs to inmates and their families in deciding which contract bid to accept.

The state's chief information officer must provide for an option that allows inmates, instead of calling collect, to pay for station-to-station phone service through a debit or a similar system with money deposited in inmates' accounts for the purpose. The correction commissioner must (1) provide the debit system at one correction facility within a year after the bill's effective date and (2) notify, or arrange to notify, inmates and families about the system.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 41 Nay 4